

December 9, 2019

Tax Structure Commission,

I have a concern about the property tax credit.

If my income is \$89,999 or less, the 2019 adjustment (from the 2019 Property Tax Adjustment Worksheet) is \$3,872. If my income is \$90,000 or higher, my adjustment is \$1,174 – a whopping \$2,698 difference. I realize everyone's situation is different, but my concern is the extremely large jump in tax liability for a \$1 increase in income. It would be more equitable, I believe, if this calculation could be done on a more graduated basis.

I realize that smoothing the "cliffs" in the credit calculation would have an impact on tax revenue, but I believe that this could be done so that the impact would be minimal and fairer to taxpayers. Using my situation as an example, if the credit calculation was smoother, with smaller income and house value increments, I know I would take a larger income, spend more of that income in Vermont, and pay more income tax than I would otherwise -- a win for me and a win for Vermont.

I should add that I actually do not mind paying taxes. I live in the best state in the best country in the world. But, if by simply receiving \$2,000 less income I will save \$2,698 in taxes, even I can't pass that up.

(See PTA Worksheet Summary below)

Doug McKain
New Haven, VT

Property Tax Adjustment Worksheet - 2019 Estimate						
HS-122 Line B4 - Housesite Value (From 2018/2019 Pr					\$476,500	
HS-122 Line B5 - Housesite Education Tax					\$7,214	
HS-122 Line B6 - Housesite Municipal Tax					\$1,782	
HS-122 Line B7 - Ownership Interest					100.00%	
HS-122 Line B8 - Household Income					\$89,999	#####
HS-122 Line B10 - Allocable Mobile Home Lot Rent					\$0	
HS-122 Line B11 - Ed Tax Allocated Land Trust, Co-op,					\$0	
HS-122 Line B12 - Muni Tax Allocated Land Trust, Co-o					\$0	
HS-122 Line B13 - Ed Tax on Contiguous Property					\$0	
HS-122 Line B14 - Muni Tax on Contiguous Property					\$0	
EDUCATION PROPERTY TAX ADJUSTMENT CALC						
Housesite education tax (limited to first \$225,0	\$6,167					
Adjustment of housesite education tax for own	\$6,167					
Income-sensitized housesite education tax	\$2,295					
Housesite education tax adjustment (capped a	\$3,872	#####				
HS-122 Line B4 - Housesite Value (From 2018/2019 Pr					\$476,500	
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HS-122 Line B7 - Ownership Interest					100.00%	
HS-122 Line B8 - Household Income					\$90,000	*****
HS-122 Line B10 - Allocable Mobile Home Lot Rent					\$0	
HS-122 Line B11 - Ed Tax Allocated Land Trust, Co-op,					\$0	
HS-122 Line B12 - Muni Tax Allocated Land Trust, Co-o					\$0	
HS-122 Line B13 - Ed Tax on Contiguous Property					\$0	
HS-122 Line B14 - Muni Tax on Contiguous Property					\$0	
EDUCATION PROPERTY TAX ADJUSTMENT CALC						
Housesite education tax (limited to first \$225,0	\$3,469					
Adjustment of housesite education tax for own	\$3,469					
Income-sensitized housesite education tax	\$2,295					
Housesite education tax adjustment (capped a	\$1,174	*****				